



Vermont Department of Education
CHILD NUTRITION PROGRAMS
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APPROPRIATE USE OF USDA COMMODITIES

USDA's policy allows school food authorities to utilize commodities in the preparation and sale of foods for any school-related functions where the primary beneficiaries of the food are the students themselves. Funds derived from the sale of these commodities must accrue to the nonprofit school food service account to be used solely to replace the commodities or to operate or improve the nonprofit school food service operation.

The issue at hand is not whether the foods containing commodities are being sold at a profit to be returned to the SFA. Rather, it is whether the commodity products are being put to the use for which they are intended and being consumed by the people for whom they are intended, i.e., used mainly for school-related functions at which the students are primary consumers of the commodity foods.

USDA continues to prohibit donated foods from being used in any non-student related events such as catering banquets for the Chamber of Commerce, partisan political functions, or supplying refreshments for the Parent-Teachers' Association, etc. SFAs are also prohibited from increasing their orders for USDA commodities for the purpose of supporting school-related functions other than National School Lunch Program, School Breakfast Program, etc.

USDA recognizes that monitoring the incorporation of commodity foods with other food in a kitchen can be a challenge. However, school food authorities must take the necessary steps to ensure that donated foods are used to benefit the intended recipients, that is the students participating in the National School Lunch Program, School Breakfast Program, etc.

The chart below summarizes appropriate and inappropriate uses of commodity foods.

EXAMPLES OF ACCEPTABLE USE OF COMMODITIES	EXAMPLES OF UNACCEPTABLE USE OF COMMODITIES
<ul style="list-style-type: none">+ Repackaging and selling commodity peanuts as an a la carte item+ Serving commodity beef patties at a football banquet. The cost of all meals would be covered from sources other than the nonprofit food service account. The meal cost must at least be equal to or greater than the value of the commodities contained in the meal. The USDA value of the commodities must accrue to the nonprofit school food service account.+ Using donated products in baking items that are sold in the teachers' lounge as long as they are also sold/served to children.	<ul style="list-style-type: none">□ Catering operations for schools not participating in the National School Lunch Program□ Catering for child care centers not participating in Child and Adult Care Food Program□ Commodity beef patties served at a football banquet where the market value of the commodity food is not returned to the nonprofit school food service account□ Donated product used in baking items that are given/sold exclusively to faculty, PTA, or the public.